



## Doing Business in Belize: 2012 Country

### Commercial Guide for U.S. Companies

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## Chapter 1: Doing Business In (Belize)

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### Market Overview

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- Belize is the second smallest and least populated country in Central America with a total area of 8,867 square miles and an estimated population of 312,000 inhabitants (according to the 2010 Belize Census). Belize has an open, private sector led economy based primarily on agriculture, tourism, and services.
- Tourism remains the nation's largest foreign exchange earner. Bona fide tourist arrivals for 2011 amounted to 888,191 down from 914,747 in 2010. Revenue from tourist expenditures remained approximately \$260 million, the decrease in overall tourist arrivals was in cruise ship visitors. For additional information, see Central Bank of Belize December 2011 Economic Report at <http://www.centralbank.org.bz>.
- In addition to tourism revenue, Belize's gross exports for 2011 amounted to \$345.7 million comprised of Petroleum (42.2%), Citrus (14.8%), Sugar (13.0%), Banana (9.1%), Marine products (7.1%), and Papaya (3.3%), among others.
- Belize has been a consumer nation, relying heavily on imports.
- Belize's Gross Imports for 2011 totaled \$832.6 million, up from \$705.6 million in 2010. Considering Belize's total gross exports of \$345.6, this means that for 2011 Belize traded at a deficit of \$487 million (up from \$435 million deficit in 2010).
- For 2011, the United States remained Belize's lead trading partner, accounting for 59.4% of exports (\$205.4 million), and 31.4% of imports (\$261.2 million). This resulted in Belize experiencing a \$55.8 million trade deficit with the United States down 48% from \$117 million during 2010.
- Other major trading partners for 2011 were the Netherland Antilles, China, Central America, CARICOM, Mexico, and the United Kingdom. For more information visit [www.statisticsbelize.org.bz](http://www.statisticsbelize.org.bz).

### Market Challenges

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- Belize remains one of the smallest consumer markets in the Central America and Caribbean regions.
- In order to protect certain domestic industries, the government maintains a list of 25 categories of products that require import licenses. This list includes mostly consumer goods, such as flour, rice, beans, dry pasta products, carbonated beverages, and beer. In 2008, the Government had removed a total of seven items

- from the import licensing regime; these include: brooms, matches, pasta, soaps, liquefied petroleum gases, bleaching agents and other hypochlorites. For more information visit Belize Bureau of Standards at <http://www.bbs.gov.bz/>.
- The government maintains price controls on various products such as rice, sugar, and flour.
  - Lengthy bureaucratic delays are not uncommon, and investors should perform due diligence when planning substantial investments in Belize. Large scale investments should consider a well planned and phased approach to development.
  - Domestic interest rates for commercial borrowing have decreased as of early 2012, dropping from an average 16% to approximately 12%.
  - Fuel prices at the pump are also high. As of January 2012, prices per U.S. gallon of premium, regular, and diesel were \$5.81, \$5.65, and \$5.35 respectively. In contrast, prices of premium, regular, and diesel fuels in Miami, Florida during the same time period averaged \$4.20, \$3.98, and \$3.50 per gallon, respectively.
  - Belize has lost some potential manufacturing capacity to its Central American neighbors due to the relative high cost of doing business, licensing bureaucracy, lack of transparency of investment incentives, and overall time taken to establish a new business. The country has not been able to take advantage of electronic commerce, as many of its institutions lack the ability to conduct online operations or process online registrations.
  - Government agencies are also deficient at collecting, analyzing, and publishing usable business or trade data in a timely manner. Most major reports take up to six months before they are made available online. Availability of Foreign Direct Investment information by country of origin, and volume are largely unavailable; whereas useable trade statistics are usually delayed for release.
  - The Belize Trade and Investment Development Service (BELTRAIDE) was established as a window for investors to learn about the business environment, sectors for investment, and trade promotion; however since 2008 the institution has diversified from its original mandate placing more emphasis on micro enterprise development. This shift in mandate has left many domestic and foreign investors seeking external guidance on investment incentives and trade counseling.
  - Belize's investment incentive legislation, specifically regarding Fiscal Incentives and Export Processing Zones also needs to be amended to become World Trade Organization (WTO) compliant. Belize and other CARICOM countries have until 2013 to reassess and realign their incentives regimes.
  - In light of recent expropriation and nationalizations of the electricity and telecommunications companies, some foreign investors are more skeptical about choosing Belize as an investment destination.
  - In general Belize lacks political risk insurance, and as a practice rarely engages in title insurance on real estate property transactions.
  - Legislation passed in April 2010 called the Supreme Court of Judicature Amendment Act, restricts individuals and companies from pursuing legal action against the government. Penalties for such include fines up to \$250,000 or imprisonment.

- The country does not yet have an export-import bank able to facilitate transactions of exporters and importers. As a result, this limits the ability of domestic producers to access financing for raw material importation/purchasing from potential US suppliers. In turn, this also limits local manufacturers from attaining export readiness to conduct large scale transactions with foreign markets.

## Market Opportunities

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- American suppliers can take advantage of Belize's unique opportunities as a potential trading partner, such as its proximity to the United States, link between Central America and CARICOM, strong cultural influences from North America, easy air transportation to the US, and convenient shipping routes to the U.S.
- BELTRAIDE is responsible for promoting investments in Belize's priority sectors. It also maintains statistics and information on establishing new businesses in Belize. For further information visit <http://www.belizeinvest.org.bz>.
- Tourism maintains significant economic importance for Belize as its tourism product continues to have mass appeal to the tropical adventure-seeking visitors. Entrepreneurs consistently seek ways to improve tourism product delivery, tourist safety, and the uniqueness of Belize's tourism product. These allow for many new combinations of tourism packages as well as the need for support services in tourism including auto rentals, wi-fi internet, and food supply.
- Legislation supports offshore business services sector Belize has including offshore banking, establishment of International Business Companies (IBCs), and establishment of trusts. A total of 9,177 and 10,651 new IBCs were registered in Belize for 2009 and 2010 respectively, bringing the total number of IBCs to 107,748. For more information on Belize offshore financial sector visit <http://www.ifsc.gov.bz/about.html>.
- A large percentage of Belize's population speaks English, Spanish, or a combination of both, creating an emerging market for call centers where the workforce is qualified for further training in the services sector. As of February 2012, there were six companies operating in this sector, three of which were call centers.
- Belize's arable land is also well suited for investments in Agriculture and Agri-business. The country currently produces primary products including soy beans, rice, citrus, sugar, bananas, and papayas. However, much opportunity remains in non-traditional food crops such as tropical fruits, vegetables, and exotic forestry products.
- Although there was exploration in Belize for over 50 years, petroleum was not discovered in commercial quantities until March 2006. There is only one company harvesting Belizean light sweet crude for exportation. Their wells are located in Western Belize in the Spanish Lookout Community, and Never Delay Community. The Spanish Lookout wells have estimated proven reserves of fourteen million barrels, while the Never Delay wells hold approximately 6 million barrels. Current harvesting is approximately 3,400 barrels per day. In 2011 revenues from petroleum exportation amounted to \$135.5 million, up from \$115.5 million in 2008, due to high oil prices on the global market.

- There are currently 18 companies with rights for petroleum exploration in Belize. Each license is valid for a period of eight years to explore for oil, and twenty-five years for production if oil is found. If no oil is found during the eight-year exploration phase, the license automatically self-terminates.
- The petroleum sector has created a demand for petroleum related supplies, services, accessories, and machinery. Exploration companies require services for geologic testing, seismic testing, heavy machinery, and specialized tools and equipment.
- Following the discovery of oil, applicable Income and Business Tax Schedules on the petroleum industry were amended by the Government of Belize, increasing the tax rate from 25 percent to 40 percent. The increase was made retroactive to January 2006. In 2008, the government introduced a surcharge to increase the government's share of revenues from high oil prices. The system is based on a sliding scale, from a low 15 percent if the price of oil is \$101 per barrel, to a high of 50 percent if the price per barrel rises to \$190 per barrel.

#### **Market Entry Strategy**

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- Belize's local economy remains relatively small. Total GDP for 2010 was just under US\$1.4 billion.
- To start a new business, American investors can also establish a Belizean limited liability company under Chapter 250 of the Laws of Belize. To set up a new company or to own shares in a Belizean company, non-Belizean citizens must seek permission from the Central Bank of Belize. After forming a company, trade licenses must be acquired from the local city or municipal town council.
- A potential way for American exporters to penetrate the Belize market is to seek a local importer/wholesaler to act as an agent/distributor in Belize. A typical distribution channel for an American-made product involves the U.S. manufacturer or distributor, the local importer or wholesaler (who may act as the distributor), the retailer, and finally the buyer/consumer.

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For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

(<http://www.state.gov/r/pa/ei/bgn/>)

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### Using an Agent or Distributor

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- Many U.S. exporters of consumer products will find that an agent/distributor arrangement is the most convenient, practical, and cost-effective mechanism for sales in Belize. Local distributors tend to have superior market knowledge and distribution networks.
- Initially it is recommended that a US exporter contact the potential distributor and gather as much information as possible regarding years in operation and other product lines distributed. Due diligence is also recommended regarding a background check, to ensure the distributor is legally registered at the Belize Companies Registry.
- To find a suitable agent or distributor to partner with, an in-country visit may be required to meet directly and assess strengths, weaknesses, and opportunities.

### Establishing an Office

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- The Laws of Belize feature the Companies Act, Chapter 250, which stipulates the legal requirements and steps to incorporate a limited liability company in Belize. All non-Belizean citizens must obtain prior permission from the Central Bank of Belize for the right to own shares in a Belizean company. Although not necessary, an attorney can be hired to prepare and submit the necessary Articles and Memorandum of Association. Once documents have been submitted to the Companies Registry, they are usually cleared and approved in two business days. Fees vary depending on the number of shares issued by the company. The

Companies Act can be found online at <http://www.belize law.org>. For additional details, contact the Belize Companies and Corporate Affairs Registry via email at [bzeconomregltd@btl.net](mailto:bzeconomregltd@btl.net).

- The International Business Companies Registry, located in Belize City, is responsible for managing all International Business Company (IBC) registrations. Their website, <http://www.ibcbelize.com>, provides a comprehensive list of all authorized registered agents capable of incorporating IBCs. Fees vary depending on the number of shares issued by the company. Chapter 270, Laws of Belize governs IBCs and can be found online at <http://belizelaw.org>.

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- Although Belizeans are generally familiar with most popular U.S. brand names, franchising remains rare, due to market competition being based more on price than name recognition.
- Franchising in Belize currently extends to just a few well-known brand names, including Best Western in the hospitality industry, Coca-Cola in the soft drink industry, Mail Boxes Etc. in the postal service, and Avis, Budget, and Hertz in the auto rental business.

## **Direct Marketing**

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- Direct marketing in Belize by U.S. companies is rare. Normally, a local agent or representative is hired to perform the local marketing functions.

## **Joint Ventures/Licensing**

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- The government generally encourages joint ventures when investing in Belize, however this is not mandatory.
- Foreign investors are allowed full ownership of companies and property in Belize.

## **Selling to the Government**

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- Since the US remains Belize's leading trading partner, suppliers of U.S. products and services generally have little difficulty selling to the Government of Belize.
- Opportunities also exist to sell to local non-governmental organizations that are funded by multilateral financial institutions, such as the Inter-American Development Bank.

## **Distribution and Sales Channels**

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- A typical distribution channel for an American-made product involves (1) the local importer, who is also generally the wholesaler and the distributor, (2) the retailer, and finally (3) the buyer/consumer.



- Cargo imported from neighboring Central America and Mexico enters Belize through the two official inland border crossings located at the country's western border with Guatemala, or northern border with Mexico.
- Goods imported from North America, the Caribbean, and Europe enter the country through either the port in Belize City or Big Creek.
- Cargo ships typically depart Europe for Miami/Houston, then Belize, and on to Central and South America.
- The Port of Big Creek, located in Independence Village features three full service berths allowing for direct docking of cargo ships alongside the mainland. This port accommodates large ships for the transport of citrus, bananas, fertilizers, grain, other agricultural produce, crude oil, and petroleum fuel.
- The port in Belize City is more geographically central to the country's commercial and business hub which remains Belize City. This port imports mostly dry goods, merchandise, automobiles, and fuel. It features a 1,000 foot pier for ships to load and unload cargo.
- While the port in Belize City is centrally located, the port in Big Creek is further south by 75 miles along the coast, or 145 miles driving along the highways.

#### **Selling Factors/Techniques**

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- Most major importers and wholesalers employ local commission agents who sell and deliver the product to the retailer.
- Personal contact with the clientele is always recommended.
- Advertising materials need to be in English.
- All goods for sale in Belize must meet the requirements set by the Belize Bureau of Standards. For detailed information visit <http://www.bbs.gov.bz/>.

#### **Electronic Commerce**

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- Belize enacted electronic transactions legislation in 2003, which allows businesspeople to employ e-commerce to conduct cross-border transactions.
- Although this was enacted there are only a handful of agencies and government departments that attempt to utilize the benefits of on-line transactions.
- The domestic banks have been among the few that have taken advantage of e-commerce.

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- Internet websites have become more common as a means of advertisement in recent years; however, some websites are not updated frequently and therefore can carry out-dated content.
- The single largest trade show event in Belize is usually held in the month of March or April, and is called the Annual National Agriculture and Trade Show. This event has been held annually since 1970, and draws an average attendance of 20,000 persons during its two-day exhibition.

- Business advertising in Belize is done mainly through radio, newspapers, magazines, television, and billboards. The following are links to the major local newspapers and television stations:

#### Newspapers

- Amandala: <http://www.amandala.com.bz>
- The Belize Times: <http://www.belize-times.com>
- The Reporter: <http://www.reporter.bz>
- The Guardian: <http://www.guardian.bz>

#### Television Stations

- Channel Five: <http://www.channel5belize.com>
- Channel Seven: <http://www.7newsbelize.com>
- Love TV: <http://www.lovetv.com.bz>
- Plus TV: <http://plustvbelize.com/>

### **Pricing**

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- Certain items, including basic foodstuffs (rice, beans, sugar, bread, and flour), butane gas, and fuel, are subject to government price controls (1987 Supplies Control Regulations). Effective July 1, 2006, the government introduced a consumption tax, called General Sales Tax (GST) of 10%, however, during April 2010 this tax rate was raised to 12.5%. The tax is uniform on all commodities.
- Regarding GST, staple food items such as rice, beans, corn, fresh meat, flour, sugar, eggs, bread, and tortilla are zero-rated, while water, school fees, house rent, insurance, medicine, and hotel rooms are considered exempt goods and services. For a full listing of zero-rated and exempt goods visit the Department of General Sales Tax website at <http://www.gst.gov.bz>.
- Imported products are subject to tariffs such as Import Duties, Revenue Replacement Duties (if applicable), General Sales Tax, and Environmental Tax. Import Duties range from zero to 45 percent. The zero is applicable on some food items and medicines, while the rates of up to 45 percent apply to items such as vehicles, fresh peppers, pepper sauces, live animals, boats, and other luxury goods. However, most goods and products carry an average import duty rate between 10 to 20 percent of the value of the product, which includes Cost, Insurance, plus Freight (CIF Value). Thereafter, General Sales Tax is applied at a flat rate of 12.5 percent. There is also a two percent Environmental Tax applicable to all imports, excluding some medicines and food items; however, automobiles are charged the Environmental Tax at a rate of five percent. For more information visit <http://www.customs.gov.bz> with details on tariff rates and eligibility.
- The above cost factors must be accounted for during the establishment of appropriate pricing mechanisms in traded products.

### **Sales Service/Customer Support**

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- Belize generally lacks adequate customer support and after sales service. After-sales service in Belize is limited to business establishments dealing with electronic equipment, such as photocopiers, typewriters, computers, air conditioners, cellular phones, cars, and trucks.

## Protecting Your Intellectual Property

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- Belize has fulfilled its obligation under the World Trade Organization (WTO) to implement the Agreement on Trade- Related Aspects of Intellectual Property (the TRIPS Agreement).
- The Belize Intellectual Property Office (BELIPO) was established to administer these IPR laws, which include copyrights, industrial designs, patents, trademarks, protection of new plant varieties, and protection of layout – designs (topographies) of integrated circuits. Visit <http://belipo.bz/> for additional information.
- However, music and video stores in Belize continue to carry illegally copied tapes and DVD's for sale or rent. Local television stations and cable companies also continue to pirate American television network and cable channels with impunity.

### Protecting Your Intellectual Property in Belize:

Several general principles are important for effective management of intellectual property (“IP”) rights in Belize. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Belize than in the U.S. Third, rights must be registered and enforced in Belize, under local laws. Your U.S. trademark and patent registrations will not protect you in Belize. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Belize market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Belize. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Belize law. The U.S. Commercial Service can provide a list of local lawyers upon request [http://belize.usembassy.gov/legal\\_information.html](http://belize.usembassy.gov/legal_information.html).

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal

problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Belize require constant attention. Work with legal counsel familiar with Belize laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Belize or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

## **IP Resources**

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at [www.StopFakes.gov](http://www.StopFakes.gov).
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at [www.stopfakes.gov](http://www.stopfakes.gov).
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, and Russia . For details and to register, visit: [http://www.abanet.org/intlaw/intlproj/iprprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html)
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [www.StopFakes.gov](http://www.StopFakes.gov) This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Belize at: <http://www.trade.gov>.

## Due Diligence

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- Whether a U.S. investor or company plans to invest in a business, sell, or buy property in Belize, it is always advisable that they seek background information on their local partner, conduct title searches on real estate or property, and conduct careful due diligence before completing the business transaction.
- The U.S. investor may want to seek the services of a local accountant or attorney who may be able to assist with obtaining background information and/or conducting a property title search.
- It is also beneficial to cross check the legitimacy of local companies at the Belize Companies Registry, to ensure they are legally registered to operate in Belize.
- At times an in-country visit and direct meetings may be required to gather sufficient information on facilities, infrastructure, and adequacy of potential agents, distributors, retailers, or wholesalers.

## Local Professional Services

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- The following references are links to associations registered in Belize that can be a source of professional information and/or services:
- The Institute of Chartered Accountants of Belize:  
<http://www.icab.bz>
- The Association of Professional Engineers of Belize:  
<http://apebbelize.com/>

- The Belize Chamber of Commerce and Industry:  
<http://www.belize.org/bcci>
- The American Chamber of Commerce of Belize:  
<http://www.amchambelize.org>
- The Association of Professional Architects of Belize:  
<http://www.architectsofbelize.com/history.html>
- The Belize Tourism Industry Association: <http://www.btia.org>

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United States Embassy - Belize

<http://belize.usembassy.gov>

U.S. Export.gov

[http://www.export.gov/comm\\_svc/eac.html](http://www.export.gov/comm_svc/eac.html)

Solicitor General's Ministry – Laws of Belize

<http://www.belize-law.org>

International Business Companies Registry

<http://www.ibcbelize.com>

The Amandala Newspaper

<http://www.amandala.com.bz>

The Belize Times Newspaper

<http://www.belize-times.bz>

The Reporter Newspaper

<http://www.reporter.bz>

The Guardian Newspaper

<http://www.guardian.bz>

Channel 5 Belize News

<http://www.channel5belize.com>

7News Belize

<http://www.7newsbelize.com>

Belize Intellectual Property Office

<http://www.belipo.bz>

Institute of Chartered Accountants of Belize

<http://www.icab.bz>

Belize Chamber of Commerce and Industry

<http://www.belize.org/bcci>

American Chamber of Commerce and Industry

<http://www.amchambelize.org>

Belize Tourism Industry Association

<http://www.btia.org>

Love Television

<http://www.lovetv.com.bz/>

Plus Television

<http://plustvbelize.com/>

Belize Customs and Excise Department

<http://www.customs.gob.bz>

Belize Trade and Investment Development Service

<http://www.belizeinvest.org.bz>

Association of Professional Architects of Belize

<http://www.architectsofbelize.com/history.html>

Association of Professional Engineers of Belize

<http://apebbelize.com/>

Customs Brokers Association of Belize

<http://www.customsbrokers.bz/>

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## Chapter 4: Leading Sectors for U.S. Export and Investment

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## TOURISM SECTOR

### Overview

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- The Belize Tourism Board is the statutory body responsible for management and oversight of the tourism industry. They regulate, administer, and monitor the issuance of licenses for hotels, accommodations, tour guides, and tour operators. Visit <http://www.belize tourism.org> for more information.
- The tourism sector continues to rank among Belize's top foreign exchange and revenue earners. The table below provides an overview of total revenues earned by the tourism sector, also called tourism expenditures, between the period 2008 to 2011. For more information, see Central Bank of Belize Annual Report 2010 at [www.centralbank.org.bz](http://www.centralbank.org.bz).

Year	Tourism Expenditures (USD \$ Millions)	Overnight Tourist Arrivals	Cruise Ship Arrivals	Total Tourist Arrivals	Avg. Expenditure per Tourist
2007	285.6	241,575	560,478	802,053	356.09
2008	272.5	234,706	537,632	772,338	352.82
2009	250.9	221,654	634,697	856,351	292.99
2010	259.2	226,632	688,165	914,797	283.34
2011	260.0 (est.)	233,401	654,790	888,191	292.72

- Belize, as a country, does not yet feature a five-star luxury franchise hotel, some speculate that it is due to its small population size and demographic composition.
- Although some resorts have invested substantially, most of the product offerings do not attain the luxury standards commonly found in the Caribbean or Central American regions. Most luxury hotels in Belize offer a “boutique-style” experience, focusing more on adventure and recreational activities.

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- There are still many tourism subsectors in Belize that have yet to be explored, including niche services and destinations. For example, the hotel and accommodation industry in Belize has yet to adopt green technology.
- Currently only a few establishments have taken steps to be branded as eco-friendly. Much more could be done to attract tourist dollars from visitors concerned about preservation and the “green” movement.
- Belize has been increasingly recognized for its second-home buyers market, along with other countries in Central America including Panama and Costa Rica. Much like its competitors, Belize offers a retirement incentive. The fact that Belize is English speaking is a big enticement for many U.S. citizens.

## Opportunities

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- Tourism is a very important industry for Belize, since the performance of numerous other economic subsectors depend on this industry to support their businesses and livelihoods. For example, the auto rental sector relies on tourists to rent their cars, and also farmers and fishermen depend on local restaurants where tourists consume fresh produce.
- The hotel, resort, and accommodation industry functions as a platform for the development of many other tourism sub-sector businesses. The establishment of strong sub-sector businesses is important for the tourism industry to continue to remain competitive within Central America and the Caribbean. These areas include: cruise tendering services; auto rental services; restaurants; gift-shops; adventure destinations and parks; entertainment; land, air, and sea transportation services; and the agro-production and fisheries sectors, which produce food for consumption.
- Applicants for investment incentives in this industry usually qualify under the Fiscal Incentives Program, offered through the Belize Trade and Investment Development Service (BELTRAIDE). Visit <http://www.belizeinvest.org.bz> for more information.

## Web Resources

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- Belize Tourism Board (BTB)  
<http://www.belize tourism.org/>  
<http://www.travelbelize.org/>
- Belize Tourism Industry Association  
<http://www.btia.org/>
- BTB Retirement Incentives  
<http://www.belize retirement.org/>
- Belize Hotel Association  
<http://www.belizehotels.org/>
- BELTRAIDE  
<http://www.belizeinvest.org.bz>

## AGRICULTURE and AGRI-BUSINESS

### Overview

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- Agriculture has remained one of Belize's leading primary industries in the cultivation of traditional and non-traditional crops. Crops arranged in order of contribution to GDP are citrus, banana, sugar, papaya, red kidney beans, and black eye peas. Almost all corn grown in Belize is consumed domestically, and as a result only in some instances are excess stock exported.
- According to data from the Statistical Institute of Belize, contribution to GDP between 2007 to 2011 for Agriculture is provided in the table below:

Year	Total National Exports (USD\$ Millions)	Value of Agricultural Exports	Percent of Total Exports
2007	174.5	133.0	76.2%
2008	295.3	127.0	43.0%
2009	246.4	127.8	51.8%
2010	284.7	127.1	44.6%
2011	345.7	139.0	40.2%

- Agriculture and agribusiness is an integral part of Belize's economy as it provides sources of income and livelihoods for large numbers of workers. It also contributes to the overall food security of the country as locally grown fruit and vegetables are consumed domestically.
- Agriculture and agribusiness has thrived in Belize due to adequate rainfall and a relatively stable year-round sub-tropical climate. Planting and harvesting are mostly seasonal, except for a few crops that grow year-round such as papaya. Banana, citrus, and sugar are the larger industries that economically dominate this sector.
- The planting and harvesting of habanero has found its place in the preparation of locally made and world-renowned hot pepper sauces.
- There has also been considerable advancement in local exotic fruits being converted and processed into jams, jellies, extracts, and pastes. This sub-sector reduces the level of spoilage that would otherwise occur by utilizing produce that was not sold at the market.

### Sub-Sector Best Prospects

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- Farms in Belize generally lack irrigation systems or modern agricultural equipment, as a result efficiency and yield per acre can improve significantly if these were available.

- Belize's soils and stable climate hold the potential to create commercial cultivation of organic produce. Currently, only a few specialized small farmers grow organic produce for their consumption.
- Belize has not yet diversified or explored the potential benefits to be gained from biotechnology to maximize the output of crops. Genetically modified produce has not been introduced to the local market.
- Belize also needs a modern laboratory to test and validate the nutritional contents of processed food stuffs, fruits, vegetables, sauces, and other by-products for product labels. Currently, producers in Belize must send their products to other countries in the Caribbean or in Central America to be tested for nutritional value and contents. This process drives up the cost of bringing products to market and limits the number of producers that can afford such services.

## Opportunities

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- Export markets exist for sawn wood, veneer, grains, jams and jellies, and pepper sauces have been increasing their contribution to Belize's agro-productive sector performance.
- A bottling, packaging, and canning facility is also needed to service small and medium size producers of fresh agricultural produce and processed agricultural products.
- Belize agricultural sector depends largely on imported packaging, which is often costly to source within Central America.
- Belize also requires proper cold storage facilities to be installed at ports, in order to facilitate the trade in fresh or processed agricultural products.
- Investors in this sector can apply for incentives under the Fiscal Incentives Program or Export Processing Zone Program. Information on investment incentives can be found at [www.belizeinvest.org.bz](http://www.belizeinvest.org.bz).

## Web Resources

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- Belize Ministry of Agriculture  
<http://www.agriculture.gov.bz/>
- Belize Agricultural Health Authority  
<http://www.baha.bz/>
- Belize Bureau of Standards  
<http://www.bbs.gov.bz/>
- Belize Ministry of Natural Resources  
<http://www.mnrei.gov.bz/>
- Belize Weather Bureau  
<http://www.hydromet.gov.bz/>
- Belize Pesticides Control Board  
<http://www.pcbbelize.com/pesticides.html>
- Statistical Institute of Belize  
<http://www.statistics.org.bz>
- Belize Trade and Investment Development Service  
<http://www.belizeinvest.org.bz>

## PETROLEUM and PETROLEUM EQUIPMENT

### Overview

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- The Department of Geology and Petroleum is responsible to oversee the oil and mining industries in Belize. The table below shows exports as a percentage of gross national exports per annum. For more information visit the Central Bank of Belize Monthly Economic Report for December 2011 at [www.centralbank.org.bz](http://www.centralbank.org.bz).

Year	Gross Exports per Annum (USD\$ Millions)	Barrels Exported per Annum	Value of Crude Oil Exports	Oil as a Percent of Gross Exports
2008	295.3	1.10	115.5	39.1%
2009	246.4	1.26	60.3	24.5%
2010	284.7	1.47	103.1	36.2%
2011	345.7	1.34	137.5	39.7%

- Exploratory wells were dug in Belize for 50 years, until 2006 when the first discovery was made. In early 2010, the same company declared another oil find however, this contained less reserves than anticipated. While the first discovery produces about 3,000 barrels per day, the second discovery produces only about 300 to 500 barrels per day. The largest deposit located at Spanish Lookout in the Cayo District is reported to contain an estimated 14 million barrels, while the second deposit may contain less than 6 million barrels.
- Belize's crude has been exported to Central America and the United States, and is classified as "light-sweet crude."

### Sub-Sector Best Prospects

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- Currently natural gas from oil wells is flared off. It could be captured and used locally.
- Belize is a beneficiary of the Petro Caribe Agreement, where Caribbean and Central American countries can import fuel from Venezuela on concessionary terms. Although Belize had unsuccessfully attempted this initiative in the past, there may be plans to re-initiate importation from Venezuela in the near term, which can lead to Belize requiring more modern petroleum-related specialized equipment for storage and distribution.

### Opportunities

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- Following the closure of a small scale low grade diesel processing company in Spanish Lookout, Belize's crude exports increased slightly. Recent initiatives from the government to try to lower the cost of fuel in the country have signaled

- the possibility of looking toward the construction of a micro oil refinery to alleviate prices.
- Trucking and maintenance of road infrastructure also play an important role in oil transportation and environmental safety. Road maintenance is an area where additional expertise could be utilized.
  - There are currently 18 companies holding oil exploration licenses in Belize. Undoubtedly these companies will require specialized petroleum exploration equipment.

## Web Resources

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Belize Ministry of Natural Resources

<http://www.mnrei.gov.bz/>

Belize Customs and Excise Department

<http://www.customs.gov.bz/>

Port of Big Creek

<http://portofbigcreek.com/>

Belize Ministry of Finance

<http://www.mof.gov.bz/>

Statistical Institute of Belize

<http://www.statistics.org.bz>

## INFORMATION COMMUNICATION TECHNOLOGY (ICT)

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- ICT is considered an emerging sector in Belize and deals largely with offshore call centers.
- These investments usually qualify for incentives under the Export Processing Zone (EPZ) Program administered by the Ministry of Economic Development.
- As of February 2012, there were six companies operating in this sector, three of which were call centers.

### Sub-Sector Best Prospects

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- There exists a data and e-commerce park located in Ladyville, near the international airport just outside Belize City. This facility caters to online gaming companies, online software management services, and offshore call centers.
- Offshore call centers supplying services to foreign clients can apply for incentives under the Export Processing Zone (EPZ) Program.

### Opportunities

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- Due to Belize's geographic location in the Central American and Caribbean regions, a large portion of its labor force is bilingual in English and Spanish. This provides a wide baseline of potential recruits for call center staffing purposes.
- In 2011, The Belize Trade and Investment Development Service (BELTRAIDE) embarked on a program to train and certify persons to perform the functions and etiquette required for call center operations.
- Establishing an office within city limits helps to access the available labor pool.

### Web Resources

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- Belize Trade and Investment Development Service  
<http://www.belizeinvest.org.bz>
- International Communication Services Limited  
<http://www.icslbelize.com/about.html>

## RENEWABLE ENERGY and GREEN TECHNOLOGY

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- Belize is known as an eco-friendly tourism destination; however most of the resorts, hotels, businesses, and government agencies have not taken advantage of green technology or renewable energy.

### Sub-Sector Best Prospects

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- There may be potential to identify and create a market niche to provide solar panels, solar water heaters, and battery cells to this emerging sector.
- Belize has also not yet taken advantage of bio fuels, as a means of reducing dependence on expensive imported fossil fuels.

### Opportunities

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- The country also imports over 75% of its electricity from the state of Quintana Roo in neighboring Mexico. There are possibilities to generate and sell electricity to the government owned electricity distributor. Providing such services to fill the gap of electricity supply necessary, would contribute significantly to Belize's energy independence.

### Web Resources

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- Belize Electricity Limited  
<http://www.bel.com.bz/>
- Belize Trade and Investment Development Service  
[www.belizeinvest.org.bz](http://www.belizeinvest.org.bz)
- Government of Belize  
[www.belize.gov.bz](http://www.belize.gov.bz)
- Belize Ministry of Finance  
<http://www.mof.gov.bz/>



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## Chapter 5: Trade Regulations, Customs and Standards

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- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
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### Import Tariffs

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- Tariffs and collection of Customs Duties and Taxes are administered by the Belize Customs and Excise Department. This Department accounts for approximately 53 percent of the Government's total annual recurrent revenue.
- There are two main duties applied to imported goods and products; they are Import Duty and Revenue Replacement Duty (RRD). The Department of Customs collects Import Duties and RRD on behalf of the Government at the point of importation for most commodities, goods, and products.
- In Belize, customs duties are applied according to the rates set out in the Customs Tariff and Trade Classification, Chapter 48 Laws of Belize, First Schedule.
- Import Duties range between 0 and 45 percent. Zero-rated goods include various food items and medicines; while 45 percent is applicable to certain automobiles and other goods, such as fresh peppers, pepper sauces, live animals, boats, and various luxury goods. Duties are calculated on the CIF Value of goods (Cost, Insurance, plus Freight). A detailed list of items included can be found on <http://www.customs.gov.bz>. The average rate applied to commodities is 20 percent.
- Other taxes on imports include General Sales Tax (GST) and Environmental Tax (ET). GST is applied at a flat rate of 12.5 percent. There is also a 2 percent Environmental Tax applicable to all imports, excluding some medicines and food items; however automobiles are charged at the rate of five percent. For more information with details on rates and eligibility, visit Department of GST at <http://www.gst.gov.bz/>, as well as the Ministry of Finance <http://www.mof.gov.bz> concerning Environmental Tax.
- Note that Belize has in place the Caribbean Community's (CARICOM) common external tariff, which sets the country's import duties on industrial products at an average of 20 percent.

- Revenue Replacement Duty (RRD) is installed as a cost recovery mechanism for the Government. Rates are applied between 5 and 50 percent with the majority averaging 20 percent. The RRD is based on the aggregate of the customs value and the import duties; however, some commodities, like fuel and alcohol, are charged according to volume (i.e., per gallon/unit). Visit [http://www.customs.gov.bz/revenue\\_replacement.html](http://www.customs.gov.bz/revenue_replacement.html) for a list of RRD items.

## Trade Barriers

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- In addition to the tariff barriers listed above, the Government also utilizes an Import Licensing Regime to protect the domestic market.
- The Belize Bureau of Standards encompasses the Supplies Control Unit, <http://www.bbs.gov.bz>, which has responsibility for Belize's import licensing regime.
- In order to protect certain domestic industries, the government maintains a list of 25 categories of products that require import licenses. This list includes mostly consumer goods, such as flour, rice, beans, dry pasta products, carbonated beverages, and beer. Other items are fuel, wooden furniture, pharmaceuticals, agricultural products (including hot peppers and meats), alcohol, pesticides, and cigarettes.
- In 2008, the Government had removed a total of seven items from the import licensing regime; these include: brooms, matches, pasta, soaps, liquefied petroleum gases, bleaching agents and other hypochlorites. For more information visit Belize Bureau of Standards at <http://www.bbs.gov.bz/>.

## Import Requirements and Documentation

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- Import permits from the Belize Agricultural Health Authority (BAHA) (<http://www.baha.bz/>) are required for certain foodstuffs, live animals, plant and plant materials, and veterinary vaccines. This statutory body is sanctioned and governed by the Ministry of Agriculture.
- BAHA also requires phyto-sanitary and zoo-sanitary certificates, health-risk analysis documentation, and certificates of origin for animals and certain plant materials.
- All importers are required to submit original commercial invoices to the Customs Department at the point of importation.

## U.S. Export Controls

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- U.S. export certification is required to export firearms and ammunitions to Belize. This certification can be obtained from the U.S. Department of State and/or the U.S. Department of Commerce.
- Exporters will need to comply with U.S. guidelines under the Renewable Fuel Standard provisions. More information can be found at the following websites:
- [http://apps1.eere.energy.gov/news/news\\_detail.cfm/news\\_id=12023](http://apps1.eere.energy.gov/news/news_detail.cfm/news_id=12023)
- <http://www1.eere.energy.gov/biomass/pdfs/nbap.pdf>

- [http://apps1.eere.energy.gov/news/news\\_detail.cfm/news\\_id=12024](http://apps1.eere.energy.gov/news/news_detail.cfm/news_id=12024)

## Temporary Entry

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- The Belize Customs Department allows temporary entry or in-transit entry of certain items into Belize. This can be achieved via a “bond process,” whereby the importer deposits a percentage of the value of the imported goods and is allowed a specified timeframe to either re-export the goods or pay applicable duties on the goods. If the goods are re-exported or are imported under a duty exemption incentive, then the importer’s deposit funds are reimbursed. However, if the goods are to remain in the country and the importer is not benefiting from duty exemption incentives, then full duties become payable.
- Products brought in temporarily or in-transit generally enter duty-free, providing the products are not modified or transformed while in Belize. If, however, the importer later decides to modify or sell the product locally, all necessary duties must be paid at the Customs Department (<http://www.customs.gov.bz>).

## Labeling and Marking Requirements

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- The Belize Bureau of Standards (<http://www.bbs.gov.bz>) is mandated to establish and monitor standard requirements for labeling, packaging, metrology, and consumer protection. All locally manufactured goods and imported goods must adhere to some minimum standards for products to be legally traded and sold on the Belize market.
- Labeling requirements must be fulfilled in English and details are to include: product name, description, manufacturer’s name and address, country of origin, storage instructions, net weight/volume, quantity, list of contents, nutritional information, date of production, expiration date, and identification lot. The website <http://www.bbs.gov.bz> contains legislation and documents describing the nature of information and specifications required for products to be labeled, packaged, and sold legally in the marketplace.

## Prohibited and Restricted Imports

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- Certain goods are restricted for import into Belize based on a licensing and permit regime. The tariff applied to products originating from CARICOM member states may be different from the tariff applied to products originating from other countries. Likewise, there may also be quantity restrictions on certain products.
- The list of prohibited items includes peanut butter, jam, jellies, pasta, wheat flour, rice, peppers and pepper sauces, beer, alcohol, spirits, carbonated beverages, cigarettes, products made of wood, pharmaceutical medicines, pesticides, and fuel.
- Beans and rice, like many other locally produced agricultural products, may not be imported if there is a surplus of these products on the domestic market.

## Customs Regulations and Contact Information

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- The Customs and Excise Duties Act, Chapter 48 of the Laws of Belize, provides the legal framework by which the Belize Customs Department assesses, collects, and enforces the collection of Import Duties, Revenue Replacement Duties, and Excise Duties. For more specific information, visit the Customs website <http://www.customs.gov.bz/> and click on the “Legislation” tab.
- The Belize Customs Department generally uses original commercial invoices and product catalogs to determine the value of goods coming into the country. Duties are charged on the CIF Value of goods.
- The Valuation Unit of the Customs Department uses the U.S. National Automobile Dealers Association (N.A.D.A.) publication, commonly known as the Blue Book, to value vehicles and automobiles being imported into Belize.

## Standards

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- [Publication of Technical Regulations](#)
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## Overview

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- The Belize Bureau of Standards (BBS) prepares and promotes standards in relation to goods, services, and processes.
- The BBS monitors compliance with compulsory standards with the aim of preventing access to the market place of goods that are likely to be a danger to the health or safety of consumers.
- The Bureau is responsible for monitoring and enforcing labeling requirements, packaging requirements, metrology, and consumer protection. This institution also oversees the Supplies Control Unit, which runs the import licensing regime.
- The BBS frequently performs random market assessments to ensure that price controls are being adhered to, and that net contents of products are accurately stated. Gas stations are also monitored for the volume and efficiency of the pumps, to ensure that customers are being treated fairly.

## Standards Organizations

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- The Belize Bureau of Standards is the only organization that develops standards in Belize.
- **NIST Notify U.S. Service**  
Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member

countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

## Conformity Assessment

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- The Belize Agricultural Health Authority (BAHA) was established under Chapter 211 of the Laws of Belize, in order to provide professional services in food safety, quarantine services, and plant and animal health inspections to facilitate trade and commerce. For more information on certifications and programs, visit <http://www.baha.bz/>.
- The institution is responsible to assess, monitor, and manage the issuance and approvals of import permits for phyto-sanitary and zoo-sanitary certificates. These are issued in cases where importers and exporters seek to trade meats, animals (including livestock), plants, seeds, and seedlings of plants.
- BAHA also assists with the establishment and implementation of certification programs, including: Hazard Analysis and Critical Control Points (HACCP), Good Agricultural Practices (GAP), Good Manufacturing Practices (GMP), and Standard Sanitary Operating Procedures (SSOP).
- In addition, they conduct Risk Analysis and Inspection for food safety purposes.

## Product Certification

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- The Belize Agricultural Health Authority (BAHA) is the statutory body responsible for certification mechanisms regarding plants, animals, quarantine, and inspection.
- The Belize Bureau of Standards, in collaboration with BAHA, requires product certification and certificates of origin for certain imported products, mainly foodstuffs such as meats.
- Not all products require certification for import and export; however, products that have the ability to transmit plant, animal, and human diseases are subject to inspection and risk analysis prior to certification. This includes food items, agricultural produce, plants, meats, and livestock. Visit <http://www.baha.bz/> for more information.

## Accreditation

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- The Belize Agricultural Health Authority (BAHA) provides accreditation services for companies working toward certifications, including: Hazard Analysis and Critical Control Points (HACCP), Good Agricultural Practices (GAP), Good Manufacturing Practices (GMP), and Standard Sanitary Operating Procedures (SSOP). Follow the link <http://www.baha.bz/contact.html> to contact BAHA according to specific queries.

## Publication of Technical Regulations

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- The Belize Bureau of Standards publishes notifications on new requirements for product standards in the Belize Gazette, allowing the general public to submit comments on the proposed changes in a timely manner.

## Labeling and Marking

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- The Belize Bureau of Standards (<http://www.bbs.gov.bz>) is mandated to establish and monitor standard requirements for labeling, packaging, metrology, and consumer protection. All locally manufactured goods and imported goods sold in Belize must adhere to certain minimum standards for products to be legally traded and sold on the Belize market.
- Labeling requirements must be fulfilled in English and details are to include: product name, description, manufacturer's name and address, country of origin, storage instructions, net weight/volume, quantity, list of contents, nutritional information, date of production, expiration date, and identification lot. The website <http://www.bbs.gov.bz> contains legislation and documents detailing the nature of information and specifications required for products to be labeled, packaged, and sold legally in the marketplace.

## Contacts

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- Director, Belize Bureau of Standards, Ministry of Works Compound, Power Lane, Belmopan City, Belize, Tel: 011-501-822-0446, Fax: 011-501-822-2571, E-mail: [bbs@btl.net](mailto:bbs@btl.net).
- Managing Director, Belize Agricultural Health Authority, Corner of Hummingbird Highway and Forest Drive, Belmopan City, Cayo District, Belize. Tel: 011-501-822-0197 or 011-501-822-0271. E-mail: [baha@btl.net](mailto:baha@btl.net), Website: [www.baha.bz/contact.html](http://www.baha.bz/contact.html).
- Joseph Boski, Political/Economic Officer, Political/Economic Section, U.S. Embassy – Floral Park Road, Belmopan City, Belize, Tel: 011-501-822-4011, Fax: 011-501-822-4012, E-mail: [Embbelize@state.gov](mailto:Embbelize@state.gov), [BelmopanCommercialInquiries@state.gov](mailto:BelmopanCommercialInquiries@state.gov).
- Directorate of Foreign Trade, Ministry of Foreign Affairs and Foreign Trade, Sir Edney Cain Building, Belmopan City, Cayo District, Belize. Tel: 011-501-822-2832, Fax: 011-501-822-2837, Email: [belizemfa@btl.net](mailto:belizemfa@btl.net), Website: <http://www.foreigntrade.gov.bz/>

## Trade Agreements

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- Belize, as a CARICOM member state, has free trade agreements with a number of countries, including Canada, Colombia, Costa Rica, Cuba, Dominican Republic, and Venezuela. For more information visit [http://www.foreigntrade.gov.bz/index.php?option=com\\_content&task=blogcategory&id=19&Itemid=64](http://www.foreigntrade.gov.bz/index.php?option=com_content&task=blogcategory&id=19&Itemid=64).

- In addition, Belize participates in the Caribbean Single Market; however, it has yet to join the Single Economy aspect of the Caribbean Single Market and Economy. For more information visit <http://www.caricom.org>.
- Belize also participates in the EU-CARIFORUM Economic Partnership Agreement.
- In 2006, Belize and Guatemala completed negotiations and signed onto a Partial Scope Trade Agreement, which was ratified in October 2009. For details, visit the Organization of American States' website on Commercial and Economic Information, at [http://www.sice.oas.org/TPD/BLZ\\_GTM/BLZ\\_GTM\\_e.ASP](http://www.sice.oas.org/TPD/BLZ_GTM/BLZ_GTM_e.ASP).
- Belize does not have an FTA with the U.S. or with any EU member countries. Nevertheless, Belize enjoys preferential treatment from the U.S. under the Caribbean Basin Economic Recovery Act (CBERA), and from the European Union under the Cotonou Agreement as an African, Caribbean, and Pacific (ACP) member state for its major agricultural exports.
- Belize is also exploring the possibility of establishing a partial scope trade agreement with Mexico.

## Web Resources

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- Belize Agricultural Health Authority  
<http://www.baha.bz>
- Belize Bureau of Standards  
<http://www.bbs.gov.bz/>
- Belize Department of General Sales Tax  
<http://www.gst.gov.bz/>
- U.S. National Institute of Science and Technology  
<http://www.nist.gov/notifyus>
- Belize Customs and Excise Department  
<http://www.customs.gov.bz/>
- Belize Ministry of Foreign Trade  
<http://www.foreigntrade.gov.bz/>
- Belize Ministry of Finance  
<http://www.mof.gov.bz>
- Organization of American States – Economic Information System  
[http://www.sice.oas.org/TPD/BLZ\\_GTM/BLZ\\_GTM\\_e.ASP](http://www.sice.oas.org/TPD/BLZ_GTM/BLZ_GTM_e.ASP)
- Caribbean Community Official Website  
<http://www.caricom.org>
- U.S. Department of Energy  
[http://apps1.eere.energy.gov/news/news\\_detail.cfm/news\\_id=12023](http://apps1.eere.energy.gov/news/news_detail.cfm/news_id=12023)  
<http://www1.eere.energy.gov/biomass/pdfs/nbap.pdf>  
[http://apps1.eere.energy.gov/news/news\\_detail.cfm/news\\_id=12024](http://apps1.eere.energy.gov/news/news_detail.cfm/news_id=12024)

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### Openness to Foreign Investment

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- The Government of Belize (GOB) attempts to attract foreign direct investments with generous incentives packages coupled with its availability of good land and an excellent natural environment. In practice, however, investors have complained that they do not always receive the full extent of the incentives available, that land purchases can be murky, and that the bureaucracy or corruption involved with starting a business in Belize can be troublesome. The global economic downturn, recent nationalizations of the major telecommunications and electricity companies, and new legislation on arbitration have coincided with a decrease in flows of foreign direct investment from a peak of 170 million USD in 2008 to 97 million USD in 2010. The GOB's various investment incentive packages are available to assist new and existing enterprises.
- Although the Belize Trade and Investment Development Service (BELTRAIDE) was established to serve as a one-stop-shop for export and investment assistance, bureaucratic delays may still be encountered when seeking government fiscal incentives, letters of support for business establishment, or business development counseling. BELTRAIDE continues to promote investment in the following sectors of the economy:



- Agriculture, agro-industries, food processing and livestock
  - Tourism and tourism-related industries
  - Aquaculture and Mari-culture
  - Light-manufacturing industries and assembly plants
  - Call Centers and Information Communication Technology
  - Renewable Energy
- Major laws and regulations that govern investment incentives are the: Fiscal Incentives Act, Export Processing Zone Act, Commercial Free Zone Act, International Business Companies Act, Trusts Act, Offshore Banking Act, Gaming Act, and Companies Act. Through these laws, Belize offers some attractive fiscal incentives to investors, but in practice these are not always realized. For example, the law allows for import duty and tax exemptions, but since 2002 these have not always been granted in practice.
  - Generally, Belize has no restrictions on the limits of foreign ownership and control of companies; however, there is a prerequisite that foreign investors obtain prior clearance from the Central Bank of Belize in order to own shares in a Belizean company. In addition, there are a few investment incentives which show preference to Belizean-owned companies. For example, the Small and Medium Enterprise (SME) Fiscal Incentive, offered by BELTRAIDE ([www.belizeinvest.org.bz](http://www.belizeinvest.org.bz)), stipulates that an entity applying for benefits under the SME incentive must have a minimum of 51% Belizean ownership. If this condition is met, the incentive provides for a lower application fee structure. According to the Belize Tourism Board ([www.belize tourism.org](http://www.belize tourism.org)), limitations also exist in the tourism sector, where a company must have a minimum of 51% Belizean ownership to qualify for a Tour Operator License.
  - Foreign investors undertaking large capital investments must be aware of environmental issues when designing and marketing their projects. The requirement to prepare an Environmental Impact Assessment is dependent on prescreening factors such as size of land area, industry, and location. Environmental clearance must be obtained prior to commencement of site development. The Department of Environment website <http://www.doe.gov.bz/> has more information on the Environmental Protection Act, Chapter 328 of the Laws of Belize.
  - Belize, along with other developing countries, has until 2015 to comply with WTO requirements regarding Fiscal Incentives, Export Processing Zones, and Commercial Free Zones. The Ministry of Economic Development and BELTRAIDE are responsible to conduct countrywide consultations with current incentive holders to inform them of upcoming international trade requirements.
  - In November 2011 both the International Monetary Fund (IMF) and Standard and Poor's (S&P) published reports on Belize. The IMF reported that Belize had weathered the global financial crisis relatively well in comparison to its Caribbean

Community peers. It also expressed concern for growing poverty, and warned that there existed a high percentage of non-performing loans looming in the commercial banking sector. S&P predicted weak growth and investment outlook, rising crime, public-sector wage pressures, and difficult budget constraints. S&P downgraded Belize from stable to negative in light of a challenging economic environment combined with the government's recent nationalizations of the country's largest electricity and telecommunications providers, which will add to public debt.

- The ***Corruption Perceptions Index (CPI)*** measures the perceived level of public-sector corruption in 180 countries and territories around the world. According to the CPI ([www.transparency.org](http://www.transparency.org)), Belize was ranked 99th overall in 2007 and 109th in 2008. Belize was not included in the survey for 2009, 2010, and 2011 due to insufficient sources. Countries are only included in the index if there are at least three data sources available.
- On a scale of zero to one hundred (0 to 100), the 2011 ***Heritage Economic Freedom Index*** rated Belize at 63.8, ranking it as the 71st freest economy in the world. This was a slight improvement over 2010, when Belize had a score of 61.5 and an overall worldwide rank of 79. The 2011 improvement is due to improved scores in the fiscal, monetary, and labor sectors. Belize is ranked 14th out of 29 countries in the South and Central America/Caribbean region, however its entrepreneurial activity continues to be limited. Burdensome tariff and non-tariff barriers combined with the high cost of domestic financing and a very small domestic market have hindered entrepreneurial activities and economic diversification. Belize is classified as “moderately free,” having scored between 60.0 and 69.9 points. (<http://www.heritage.org/index/Ranking>)
- According to the World Bank's ***Doing Business 2012 Report*** (<http://www.doingbusiness.org/data/exploreeconomies/belize/>), Belize dropped 1 spot in overall rank from 2011, and now ranks 93 out of 183 economies surveyed worldwide. More specifically, the country lost between 1 to 5 spots on almost every criterion of the assessment, with the exception of paying taxes.

Criteria	Rank 2012	Rank 2011	Change in Rank
Starting a Business	152	147	-5
Dealing with Construction Permits	9	9	No Change
Getting Electricity	53	50	-3
Registering Property	137	135	-2
Getting Credit	98	96	-2
Protecting Investors	122	120	-2
Paying Taxes	55	73	+18
Trading Across Borders	107	106	-1
Enforcing Contracts	168	168	No Change

Resolving Insolvency	29	28	-1
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- The following table summarizes Belize's scores and rankings according to the *Millennium Challenge Corporation (MCC)* (<http://www.mcc.gov/documents/scorecards/score-fy12-old-belize.pdf>). Measurements are based on percentile ranking within income peer groups of countries surveyed for the 2012 country report (higher percentages are better; for example, Belize does as well or better than 96% of the countries within its income peer group in the area of Natural Resource Management).

Measure	Year	Index/Ranking
TI Corruption Index	2008	109th
Heritage Economic Freedom	2011	71st
World Bank Doing Business	2012	93rd
MCC Gov't Effectiveness	2012	52%
MCC Rule of Law	2012	55%
MCC Control of Corruption	2012	83%
MCC Fiscal Policy	2012	81%
MCC Trade Policy	2012	68%
MCC Regulatory Quality	2012	55%
MCC Business Start Up	2012	15%
MCC Land Rights Access	2012	27%
MCC Natural Resource Mgmt	2012	96%

## Conversion and Transfer Policies

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- Foreign investments in Belize must be registered at the Central Bank of Belize (CBB) to facilitate inflows and outflows of foreign currency during transactions, including transfers, and the repatriation of profits and dividends.
- In order to pay for goods and services procured outside of Belize in a foreign currency, a "Foreign Exchange Permit" must be obtained from authorized dealers, including: commercial banks, money transfer institutions, the Ministry of Finance, or the Central Bank of Belize. After securing an approved permit, foreigners and locals are allowed to access foreign exchange directly from the commercial banks.
- Approval from the Central Bank is also necessary for business people or firms wishing to secure loans from outside Belize that involve a foreign currency. Occasional shortages of foreign currency in the banking system have resulted in delays in payments when investors were conducting international transfers and transactions.

- Officially, no person, other than authorized dealers and depositories, may retain any foreign currency in their possession without the consent of the Central Bank, although in practice U.S. dollars are widely used and accepted.
- Approved businesses under the Export Processing Zone and Commercial Free Zone incentives are allowed to open and operate foreign currency bank accounts.
- The Belize Dollar has been pegged to the United States Dollar since May 1976 at a fixed exchange rate of BZ\$2.00 to US\$1.00.

## **Expropriation and Compensation**

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- There have been several contentious cases in which the government, under its right of eminent domain, appropriated land that belonged to private property owners, including some foreign investors. These were ostensibly done for public purposes, but there have been allegations that several were political maneuvers. Belizean law requires that the Government assess and pay appropriate compensation based on fair market value; such compensation cases, however, can take many years to settle.
- In July 2011 the Prime Minister proposed constitutional reform, and by October the National Assembly passed the Eight Constitutional Amendment, which enshrined government (public) ownership of utility providers within Belize, including water, electricity, and telecommunications. The Eighth Amendment made public ownership mandatory. The largest telecommunications company was nationalized in 2009 and again re-nationalized under the Eight Amendment in 2011. The electricity company was also nationalized under the same Amendment, however the water services company had been nationalized as far back as 2005.
- The telecom firm was first nationalized in 2009 following ongoing litigation between the government and its former owner (a prominent British politician).
- The electricity company, which was previously held by a Canadian company, was nationalized following a series of rolling blackouts and government bailouts.
- As of March 2012, the GOB had not compensated former owners of the telecom or electric companies, since they could not agree on the valuation of the companies at the time of nationalization.

## **Dispute Settlement**

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- In March 2010 the Supreme Court of Judicature (Amendment) Act granted the Belize Supreme Court the authority to issue an injunction against any person or entity that has commenced arbitrations against the Government of Belize, whether that arbitration occurs in Belize or abroad. If the parties against whom the injunction is issued continue in their arbitration, the Court can void the award, and those involved, including their lawyers, advisers, corporate director, managers, shareholders, and secretaries can be criminally charged and fined up to BZ\$500,000 (US\$250,000) or jailed for up to five years for contempt. A further BZ\$300,000 (US\$150,000) can be charged for each day a person continues in

breach of the injunction. Even individuals only indirectly involved who provide counsel, advice, or investigative assistance, can be charged. It is not clear whether or not the Act supersedes Belize's treaty commitments to international arbitration.

- In addition, “A person charged with an offense under this section may be tried in his absence if the Court is satisfied that such a person was given at least 21 days’ notice of the charge and the date, time and place of the trial and that he had a reasonable opportunity of appearing before the Court but had failed to do so.” The notice referred to can be delivered “personally, or by registered post, or by a notice in the Belize Gazette.”
- In September 2010, several claimants brought a constitutional challenge of the Act to the Supreme Court. In December 2010 a judgment was read which found that while the Act was valid, there were certain sections that were ultra vires of the Constitution. The GOB is reviewing the legislation to make it compliant with the Constitution.
- Several disputes in Belize involving U.S. investors and property claims remain before the courts, and in some cases have not been resolved for several years. At least one dispute involves an international arbitration that the government seemingly could challenge with the Supreme Court of Judicature (Amendment) Act, but the government has not done so.
- Court proceedings are still underway for settlement of damages to the Belize Barrier Reef by a cargo ship, registered in the Netherlands, that ran aground in 2009, causing damage to over 6,000 square meters of the coral system. In April 2010, the Supreme Court awarded US\$11.5 million to the Government of Belize for damages to the barrier reef, but the Court of Appeal reduced the judgment to US\$2 million. The government is in the process of appealing the ruling to the Caribbean Court of Justice, the highest appellate court for Belize, seeking a higher award.
- Chapter 244 of the Laws of Belize (Bankruptcy Act) provides and allows for bankruptcy filings (<http://www.belize-law.org>).

## Performance Requirements and Incentives

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- BELTRAIDE operates under the GOB's Ministry of Economic Development and is the official statutory body responsible for investment and trade promotion. The GOB offers a number of fiscal and other incentives in order to attract private investment. The legal framework for incentives offered include: Fiscal Incentives Act, Export Processing Zone Act, Commercial Free Zone Act, International Business Companies Act, Retired Persons Incentives Act, Trusts Act, Offshore Banking Act, and Gaming Control Act. The first five programs are the most popular. Belize, along with other developing countries, has until 2015 to comply with WTO requirements regarding Fiscal Incentives, Export Processing Zones,

and Commercial Free Zones, which may entail eliminating some of these incentives. (<http://www.belizeinvest.org.bz>)

- Regulations require that incentives and the extent of benefits granted to an enterprise are awarded based on the investment's socio-economic contributions to the Belizean economy, specifically: employment creation, transfer of skills and technology, and foreign exchange earnings or savings. Projects must be in the public interest. Their appropriateness within the Government's development plan is also considered.
- The **Fiscal Incentives Act** awards a qualified entity a development concession during the start-up or expansion stages of a business, in order to foster its growth by offsetting custom duties. According to [www.belizeinvest.org.bz](http://www.belizeinvest.org.bz), two programs are offered under this Act, namely the "Regular Program" for investments exceeding US\$150,000; and the "Small and Medium Enterprise (SME) Program" for investments of less than US\$150,000. In general, the legal framework allows for full Customs Duties exemption and Tax Holidays for up to 15 years for approved enterprises. According to the Act, this is renewable for a further term of 10 years, totaling 25 years for companies engaged in agriculture, agro-industrial products, mariculture (aquaculture), food processing, and manufacturing with export operations that are labor intensive. Examples of categories that may be exempted from Import Duties and Revenue Replacement Duties are Building Materials and Supplies; Plant, Machinery, and Equipment; Specialized Tools; Utility and Transport Vehicles; Fixtures and Fittings; Office Equipment and Appliances; Spare Parts for Plant, Machinery & Equipment; Agricultural Machinery and Supplies; and Raw Materials or other items for the sole usage of the approved enterprise. The length and extent of a development concession are determined by several factors, including: (a) the extent of local value added; (b) the projected profitability of the enterprise; (c) foreign exchange earnings or savings; (d) transfer of skills and technology; and (e) new employment opportunities.
- Under the Fiscal Incentives Regular Program, entities must be incorporated under the Companies Act Chapter 250 Laws of Belize to apply. Application fees under the Regular Program are nonrefundable and depend on the level of proposed investment:

• <i>Estimated Investment (USD\$)</i>	• <i>Fee (USD\$)</i>
• for investments below \$250,000	• \$3,500
• between \$250,000 and \$500,000	• \$7,500
• between \$500,000 and \$2,500,000	• \$10,000
• above \$5,000,000	• \$15,000

- There is also an annual administration and monitoring fee of \$500 if the application is successful and a publication fee of \$400 for two week's circulation of an announcement of a successful application in a newspaper. For any amendment to the Statutory Instrument an amendment fee of \$1,750 is charged.
- Occasionally, foreign investors have complained that these investment promotions are rarely as open and effective as they might seem. For example, the Fiscal Incentives Act allows a tax holiday period; however, only in rare cases within the past 10 years was this tax holiday even considered during the approval process.
- The Fiscal Incentives SME Program is aimed at smaller enterprises with a minimum of 51% Belizean ownership, and offers the same benefits of the Regular Program, with the exception of the allowable timeframe for tax holidays and duty exemptions. Under this program, companies are allowed a maximum of five years of development concessions, with the expectation that after this period, companies can mature into the larger Regular Program. However, there exists a significant variance in the application fee structure between both programs, as can be seen below.

• <i>Estimated Investment</i>	• <i>Fee (USD\$)</i>
• for investments below \$50,000	• \$50
• between \$50,000 and \$100,000	• \$100
• between \$100,000 and \$150,000	• \$250

- There is also an annual administration and monitoring fee of \$50 if the application is successful. For any amendment to the Statutory Instrument an amendment fee of \$50 is charged.
- The **Export Processing Zone (EPZ)** Act, which is administered by the Ministry of Economic Development, was designed to attract local and foreign investments to boost production for export markets. Activities targeted by this incentive include manufacturing, non-traditional agricultural products, processing, assembly, and services, including call centers. Approved companies in this portfolio are treated as being outside national customs territory by benefiting from exemptions from full import and export duty, capital gains tax, property and land taxes, dividend tax, value-added tax, trade turnover tax, foreign exchange tax, transfer tax, as well as excise, sales, and consumption taxes. The program allows a tax holiday period of 20 years, with an option to extend and deduct losses from profits following the tax holiday period. Companies are allowed to open foreign currency bank accounts, and are exempted from import and export licensing requirements, resulting in no restrictions on imports of raw materials or exports of finished products. There is a non-refundable application fee of \$500. The program also allows for the sale, lease, or transfer of goods and services within an



EPZ; Customs inspection at the zone for expediency; and work permits at no cost for all professional and technical staff, and, if necessary, up to 20 percent foreign workforce.

- A **Commercial Free Zone (CFZ)** is a specifically designated area for the conduct of business operations, including, but not limited to: manufacturing, commercial office, insurance services, banking and financial services, offshore financial services, professional or related services, processing, packaging, warehousing, and distribution of goods and services. Belize currently has two CFZs: one on the northern border with Mexico and a small zone on the western border with Guatemala. Goods originating from these free zones can only be sold into Belize's national customs territory after the necessary duties and taxes have been assessed and paid. The Commercial Free Zone Management Agency (CFZMA), sanctioned by the Government of Belize, monitors and administers the free zones. Incentives include exemption from import duties, income tax, taxes on dividends, capital gains tax, or any new corporate tax levied by the Government during the first 10 years of operation. In addition, all imports and exports of a CFZ shall be exempt from all customs duties, consumption taxes, excise taxes, or in-transit taxes, except those destined for or directly entering areas subject to the national customs territory. CFZs are free of import and export licensing requirements, as well as taxes imposed on the sale of foreign currency. Additionally, CFZ businesses incurring a net loss over the five-year tax holiday may deduct losses from profits in the three years following the tax holiday period. There is a non-refundable application fee of \$500 and for successful applicants an annual fee of \$1,000 is charged.
- According to [www.ibcbelize.com](http://www.ibcbelize.com), the **International Business Companies (IBC) Act** allows international investors to establish offshore companies in Belize. These entities are not allowed to own an interest in real property in Belize or to conduct business in banking or insurance with Belizean residents. However, they benefit from tax exemptions on: all income; dividends paid to persons resident in Belize or elsewhere; interest, rent, royalties, and compensation paid to persons who are not residents of Belize; and capital gains realized on shares, debt obligations, or other securities of an IBC by persons who are not resident in Belize. There are no currency restrictions for banking transactions, and no restrictions on citizenship or residency requirements for directors, officers, or shareholders. All IBCs must be registered through an authorized IBC agent of the International Business Companies Registry.
- According to the Belize Tourism Board ([www.belizeretirement.org](http://www.belizeretirement.org)), the **Retired Persons Incentive Act** was designed to benefit retired persons over 45 years of age. To qualify, applicants need proof of income not less than US\$2,000 per month through a pension or annuity generated outside of Belize. An approved Qualified Retired Person is allowed to import personal effects and an approved means of transportation, free of all customs duties and taxes. All income and receipts which are accrued outside of Belize are also free of all duties and taxes.



A timeframe of one year is given to import all personal and household effects into Belize, using multiple shipments as necessary. Duty and tax free importation of an automobile, light aircraft (less than 17,000 kg), or boat is allowed. Vehicles may only be replaced at intervals exceeding three years. Effects and items imported under this program can only be sold, given away, or leased after the appropriate payment of applicable duties and taxes.

- Purchasing from local suppliers is encouraged, although firms can import products as long as duties are paid and relevant licenses have been acquired.
- Companies conducting business with international trading partners have access to foreign currency, provided that the appropriate permit is secured from the Central Bank of Belize.
- Certain conditions are only imposed during the investment process if a company is benefiting from incentives which have minimum employment targets in relation to the size and scope of the undertaking. For example, the Fiscal Incentives regime requires that beneficiaries maintain a minimum number of employees over the life of the development concession.
- The Department of Immigration is responsible for the processing of Work Permits and Residency applications. According to the Department of Immigration, citizens of the United States and the British Commonwealth do not require Visitor Visas to travel to Belize and remain for fewer than 31 days.

#### **Right to Private Ownership and Establishment**

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- The Government of Belize supports and encourages joint venture and partnership investments as a preferred mechanism for investment, but still allows 100 percent foreign ownership of an enterprise, so long as it is incorporated to conduct business in Belize.
- Private entities, whether foreign or local, have the right to freely establish, acquire, and dispose of interests in property and business enterprises.
- According to the Ministry of Natural Resources, <http://www.mnrei.gov.bz/>, applications for purchasing National Lands below ten acres may be made to the Commissioner of Lands and approved by the Minister of Natural Resources. Applications for National Lands purchases exceeding ten acres require approval by Cabinet. The Department of Lands and Surveys can advise which lands remain available.
- Land purchases can also be made from private land holders, either directly or through a real estate agent. This type of purchase is considered a private transaction and does not require prior Cabinet approval.

- The Constitution of Belize protects the right to private property. Chapter II, Article (3d) guarantees “protection from arbitrary deprivation of property.”
- There are numerous property disputes involving foreign investors and landowners related to the unreliability of ownership histories and specific boundaries of land holdings. Title insurance is not commonly available in Belize, although the government is in the process of creating a title insurance process and database. Generally, as in the United States, property buyers will avoid problems by dealing with real estate professionals and lawyers experienced in local property law, but disputes have arisen in such cases as well.
- The Lands Department in the Ministry of Natural Resources has attempted to rectify the situation by computerizing the land titles database; however, a backlog still exists, which has proven insufficient in reducing the number of complications. At times it can take up to six months to obtain a Certificate of Title.
- Belize has fulfilled its obligation under the World Trade Organization (WTO) to implement the Agreement on Trade-Related Aspects of Intellectual Property (the TRIPS Agreement). BELIPO (<http://belipo.bz/>) was established to administer these IPR laws, and it functions as Belize’s national intellectual property registry. Its mandate covers the protection of copyrights, industrial designs, patents, trademarks, protection of new plant varieties, and protection of layout—designs (topographies) of integrated circuits.
- Despite the existence of IPR laws and an administering office, enforcement is lacking. Illegally copied CDs and DVDs continue to be marketed throughout the country.
- Local cable companies and television stations continue to broadcast content pirated from American television networks and cable channels, as well as sports programming and movies, with impunity.

- Legal and regulatory accounting systems are consistent with international norms.
- Belize's laws and regulations on tax, labor, customs, and health and safety do not significantly distort or impede the efficient mobilization and allocation of investment capital.
- The government publishes a Gazette that includes proposed laws and regulations to solicit public comment. Interested persons can review, recommend changes, or object to draft laws and regulations at the Committee Meeting of the House of

Representatives. However, sometimes laws are passed quickly without publication or public review, as was the case with the Supreme Court of Judicature (Amendment) Act.

- Relative to the region, there is a high overall cost of doing business regarding payments for utilities (such as electricity and water services), internet, wages, and import duties (tariff barriers).
- BELTRAIDE previously tried to establish an ambitious service where all the procedures to set up a business could be completed within one business day; however, this was ultimately unsuccessful. Setting up a business remains a complicated process. As noted in the table above, the World Bank's *Doing Business 2012 Report* ranked Belize 152nd out of 183 countries on the "Starting a Business" criterion. Initial registration can often be accomplished quickly, but obtaining necessary licenses, including at the local level, can be time consuming.

#### Efficient Capital Markets and Portfolio Investment

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- Belize's financial system is small. Five commercial banks operate domestically, of which three are local subsidiaries of international banks, offer traditional banking services such as consumer and commercial loans, sale of foreign currencies, credit cards, savings, checking and time deposits. They also provide letters of credit and bank guarantees. The largest domestic commercial bank holds over US\$465 million in total assets.
- There are seven international banks that offer banking services in foreign currencies exclusively to non residents. These services include personal and commercial loans, brokerage services, foreign exchange, credit cards, savings, demand and time deposits.
- Fourteen credit unions operate as non-profit cooperatives that function as savings banks, offering mainly savings accounts, consumer, education and residential loans to their shareholders. Credit unions are among the most popular forms of savings and borrowing institutions for the general public, largely due to their service ethos and favorable terms of borrowing and repayment schedules. The largest credit union has approximately 42,500 members with total assets estimated at US\$160 million.
- There is also a state owned development bank that suspended its lending program in 2005, but resumed operations in July 2009. Following the 2005 liquidation of assets, a Commission of Inquiry, and restructuring, the institution has gradually reintroduced their services for development finance. They now offer loan financing in various sectors including agriculture, aquaculture, tourism, housing, education, and small enterprises.
- Belize also has one mutual fund (called unit trust) and seventeen insurance companies that operate country wide.

- The Central Bank of Belize (<https://www.centralbank.org.bz/>) is responsible for formulating and implementing monetary policy that fosters stability of the exchange rate and promote credit instruments that are conducive to economic growth. The Belize Dollar has been pegged to the United States Dollar since May 1976 at a fixed exchange rate of BZ\$2.00 to US\$1.00.
- To preserve the peg to the U.S. dollar, the Central Bank is required to maintain external assets of at least 40% of its domestic liabilities and manage credit growth to ensure that the savings/investment balances of the public and private sectors are at sustainable levels so that the resulting import consumption does not put undue pressure on official reserves.
- Since commercial banks dominate lending in the financial system, monetary policy specifically targets the liquidity of commercial banks through management of reserve balances. Manipulation of mandatory reserve requirements are a major instrument of monetary policy as they affect credit growth, interest rates, and the level of money supply.
- Overall interest rates on commercial loans, personal loans, and mortgages in Belize are relatively high; average personal and commercial lending rates ranged between 13.0% and 16.0% in 2011.
- In early December 2011, several commercial banks and credit unions refused to accept “fixed deposits” (or certificates of deposit, “CDs” in the United States), due to hefty surplus liquidity in the banking system. Over the past thirteen months liquidity more than doubled from US\$24 million to almost US\$55 million dollars. This meant that the rate of deposits was exceeding the rate of loans being approved. This imbalance in the banking system created a fiscal environment where banks were forced to reduce their lending rates. Banks have been relatively tight with extending credit since 2010, when Belize’s banking system reported a surge in nonperforming loans (NPLs), equivalent to 16.1% of total loans by the end of 2010, although by mid-2011 the number had declined slightly to 15.2%.
- Credit is made available on market terms. Despite the fact that this is regulated by the CBB, interest rates are largely set by local market conditions prevailing within the commercial banks.
- Belize does not have a stock market and lacks the regulatory legal framework for the development of one in the near future.

#### **Competition from State Owned Enterprises**

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- SOE’s are active in the utilities and services sectors. The Government operates the sole provider of water services, and as of September 2011 took constitutional control over the operations of the largest telecommunications provider along with the sole distributor of electricity.

- SOE's usually engage senior government officials, and at times include members of local business bureaus and chambers of commerce, labor organizations, and quasi-governmental agencies as a part of their management and board of directors. There is usually an independent board of directors that guides the direction, policies, and decisions of the SOE.
- Despite these general guiding principles, the current administration has been accused of nepotism in staffing at least one of its SOEs. The administration has also been accused of conflicts of interests when board members or directors of SOEs are also on the board of other organizations that do business with the SOE. Similar allegations have been made regarding other SOEs and their operation, privatizations, and procurement practices during other administrations as well.

## Corporate Social Responsibility

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- Many foreign and local companies engage in corporate social responsibility each year. Some companies donate educational scholarships to attend school both locally and internationally, while other companies sponsor football teams, basketball teams, and bicycle races. At times educational institutions benefit from assistance in infrastructural maintenance or donations of equipment. This may include painting school buildings, construction of classrooms and bathrooms, or donating fans, tables, chairs, and other necessary items. Firms often receive considerable positive media coverage for CSR projects.

## Political Violence

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- Belize has traditionally enjoyed one of the most stable political environments in the region, having held relatively peaceful and transparent democratic elections since it attained independence on September 21, 1981.
- Allegations of government corruption, economic mismanagement, and labor issues have led to occasional strikes and demonstrations. The most notable in recent history was a demonstration in February 2009 concerning sugarcane prices. This took place in northern Belize and resulted in one death and several injuries. 2010 saw two countrywide business shut-downs, as well as several public demonstrations in protest of the growing levels of violence in Belize. In 2011, there was a transit strike that involved public demonstrations and brief traffic stoppages. These events were non-violent in nature.
- **Border Issues:** Guatemala makes a historical territorial claim on a large part of Belize. This issue remains largely a political one between both governments and violence has rarely been seen in recent years. In 2008 Belize and Guatemala signed a Special Agreement agreeing to hold simultaneous referenda to determine whether the dispute should be brought before the International Court of Justice for a decision. They have yet to set a date for simultaneous referenda to be held in both countries; however this is not expected until at least 2013.

- There were several incidents in 2011 in which Belize Defense Force patrols encountered private Guatemalan citizens, some engaged in illegal logging activities. In one incident, a Guatemalan civilian was shot in the hand. The two countries exchanged public comments that were critical of each other, but the incident did not escalate, in part because both countries recognize the Organization of American States (OAS), which maintains an office in the “adjacency zone” of the two countries, as a mediator for such incidents. Illegal logging, illegal harvesting of xate palm leaves, poaching of animals, and agriculture by Guatemalans on the Belize side of the adjacency line continues and is reportedly increasing, according to an NGO that monitors Belize’s Chiquibul Forest Nature Reserve, which covers a sizable portion of the border area.

## Corruption

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- Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.
- It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.
- The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies’ acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.
- **U.S. Foreign Corrupt Practices Act:** In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person’s Guide at: <http://www.justice.gov/criminal/fraud/>

- **Other Instruments:** It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Generally all countries prohibit the bribery and solicitation of their public officials.
- **OECD Antibribery Convention:** The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Belize is not party to the OECD Antibribery Convention.
- **UN Convention:** The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Belize is not a signatory of the UN Anti-Corruption Convention.
- **OAS Convention:** In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization



of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) Belize is a party to the OAS Inter American Convention Against Corruption.]

- **Council of Europe Criminal Law and Civil Law Conventions:** Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see [www.coe.int/greco](http://www.coe.int/greco).) Belize is not party to the Council of Europe Conventions.
- **Free Trade Agreements:** While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Belize does not have a free trade agreement (FTA) in place with the United States.
- **Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.
- **Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service



can be reached directly through its offices in every major U.S. and foreign city, or through its Website at [www.trade.gov/cs](http://www.trade.gov/cs).

- The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" Website at [tcc.export.gov/Report\\_a\\_Barrier/index.asp](http://tcc.export.gov/Report_a_Barrier/index.asp).
- **Guidance on the U.S. FCPA:** The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at [www.justice.gov/criminal/fraud/fcpa](http://www.justice.gov/criminal/fraud/fcpa). Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html). More general information on the FCPA is available at the Websites listed below.
- Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.
- Public sector corruption, including bribery of public officials, remains a challenge for U.S. firms operating in Belize.
- Belize, like many countries, has anti-corruption laws on its books, but these laws, which come under the purview of the Office of the Attorney General, are seldom enforced. One such law is the Prevention of Corruption in Public Life, which came into effect in 1994, but to date has not been enforced. This law requires public officials, such as the Governor-General and members of the National Assembly, to disclose in the Government Gazette their assets, income, and liabilities. To date, only a handful of these officials have followed the law.
- The Prevention of Corruption in Public Life Act established an Integrity Commission responsible to monitor, prevent, and combat corruption by examining declarations of physical assets and financial positions filed by public

officers. The Commission is able to investigate allegations of corrupt activities, including by members of the National Assembly, Mayors and Councilors of all cities, and Town Boards. This Act criminalizes acts of corruption taken by public officials and encompasses the use of office for private gain, code of conduct, use of public funds, and bribery. Section 24 of the act covers punishment for breach which may include a fine of up to US\$5,000, severe reprimand, forfeiture of property acquired by corruption, and removal from office. The last report of the integrity commission was published in 2005. No cases under this Act have ever led to prosecution.

- Belize has not yet signed the United Nations Convention Against Corruption (UNCAC). UNCAC entered into force in December 2005 and is comprised of 71 Articles obliging countries to implement a wide and detailed range of anti-corruption measures affecting their laws, institutions and practices. It covers prevention, criminalization, law enforcement measures, international cooperation, asset recovery, technical assistance and information exchange. As of November 2011, the convention had been accepted by 157 countries as well as the European Union and applies to most of the world's population.
- In June 2001 the GOB signed the OAS Inter-American Convention on Corruption and it supports the revival of the Committee on Public Probity and Ethics, which would review implementation of the convention.

### **Anti-Corruption Resources**

- Some useful resources for individuals and companies regarding combating corruption in global markets include the following:
- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: [http://www.oecd.org/departement/0,3355,en\\_2649\\_34859\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html). See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html).
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180

countries and territories around the world. The CPI is available at: [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2009](http://www.transparency.org/policy_research/surveys_indices/cpi/2009). TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.

- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

## Bilateral Investment Agreements

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- Belize has no bilateral investment treaty (BIT) or tax treaty with the United States. It did sign a mutual legal assistance treaty with the United States in 2000.
- Belize is a member state of the Caribbean Community (CARICOM), which enables it to participate in the Economic Partnership Agreement (EPA) between CARIFORUM and the European Union (EU).
- Belize is also a member of the Central American Integration System (SICA). This could enable the Belizean economy to function as a hub connecting the Central American and Caribbean markets, but Belize is not a part of the Secretariat of Central American Economic Integration (SIECA).

- Belize has bilateral investment treaties with Austria, the People's Republic of China, El Salvador, Italy, Netherlands, and the United Kingdom. For additional information on Belize's Bilateral Investment Treaties see [http://www.sice.oas.org/ctyindex/BLZ/BLZBITs\\_e.asp](http://www.sice.oas.org/ctyindex/BLZ/BLZBITs_e.asp).
- Belize has signed 14 Tax Information Exchange Agreements (TIEA) with countries such as Australia, United Kingdom, Belgium, Netherlands, Sweden, Finland, Greenland, Norway, Iceland, Denmark, Faroes, Portugal, France, and Ireland. For more information see <http://www.ifsc.gov.bz/legislation.html>.

#### **OPIC and Other Investment Insurance Programs**

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- The Overseas Private Investment Corporation (OPIC) (<http://opic.gov/>) has been involved in two projects in Belize, one in 2002 and the other in 2006.
- Belize is a member of the Inter-American Development Bank (IDB), Caribbean Development Bank, and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank. Belize is also a beneficiary member of the Central American Bank for Economic Integration (CABEI).

#### **Labor**

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- According to the 2010 Belize Population Census, Belize's population is approximately 313,000 persons of which 131,000 comprised the labor force. Roughly 30,000 people were unemployed yielding an unemployment rate of slightly over 23%.
- Belize has nine trade unions and an umbrella organization, the National Trade Union Congress of Belize (NTUCB). In general, labor-management relations are relatively good.
- Foreign investors who have a development concession are permitted to bring in skilled personnel to complement their local labor force, provided that appropriate training programs for Belizean nationals are established.
- Most of the unskilled or semi-skilled workers in commercial agriculture are recent immigrants or migrant workers from neighboring Spanish-speaking countries.
- Belize has adopted 42 ILO core labor standards, including Convention 182 against the worst forms of child labor.
- The Ministry of Labor is charged with enforcing the minimum wage, which generally has been respected in practice. In August 2010 the national minimum wage was adjusted to BZ\$3.10 (USD\$1.55) per hour across-the-board, with the exception of agricultural and agro-processing workers, for whom the minimum wage is BZ\$2.75 (USD\$1.38) per hour.

## Foreign-Trade Zones/Free Ports

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- Belize uses its Commercial Free Zone and Export Processing Zone regulations as incentives for foreign and domestic investors, see the opening section on “Openness To, and Restrictions Upon, Foreign Investment.”

## Foreign Direct Investment Statistics

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- Statistics on foreign direct investments in Belize, by country of origin and sector, are unavailable, including the total invested by American investors. There are a number of successful and long-term U.S. owned businesses in Belize, including in the food processing, timber, agriculture, tourism, and service sectors.
- The following is a list of some of the largest American investments in Belize.

<i><b>Company</b></i>	<i><b>Sector</b></i>	<i><b>US Foreign Ownership</b></i>
ADM Belize Mills Ltd.	Agro-processing	100%, since 1974
Yalbac Ranch and Cattle Corporation (Belize) Ltd.	Timber and Agriculture	100%, since 1986
Fruta Bomba Limited	Agriculture	100%, since 1995
Captain Morgan Vacation Beach Club	Tourism	100%
The Victoria House	Tourism	100%
Fort Street Tourism Village	Tourism	unspecified
Hamanasi Dive and Adventure Resort	Tourism	Majority
Journey's End Hotel	Tourism	Majority
Ramon's Village (Reef Resorts) Ltd.	Tourism	100%, since 1987
Turtle Inn Resort	Tourism	100%
Ready Call Center	Call Center	100%

## Web Resources

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- United States Embassy - Belize  
<http://belize.usembassy.gov>
- U.S. Export.gov  
[http://www.export.gov/comm\\_svc/eac.html](http://www.export.gov/comm_svc/eac.html)
- Solicitor General's Ministry – Laws of Belize  
<http://www.belize-law.org>
- International Business Companies Registry  
<http://www.ibcbelize.com>
- Belize Intellectual Property Office  
<http://www.belipo.bz>

- Institute of Chartered Accountants of Belize  
<http://www.icab.bz>
- Belize Chamber of Commerce and Industry  
<http://www.belize.org/bcci>
- American Chamber of Commerce and Industry  
<http://www.amchambelize.org>
- Belize Tourism Industry Association  
<http://www.btia.org>
- Belize Customs and Excise Department  
<http://www.customs.gob.bz>
- Belize Trade and Investment Development Service  
<http://www.belizeinvest.org.bz>
- Association of Professional Architects of Belize  
<http://www.architectsofbelize.com/history.html>
- Association of Professional Engineers of Belize  
<http://apebbelize.com/>
- Customs Brokers Association of Belize  
<http://www.customsbrokers.bz/>
- International Communication Services Limited  
<http://www.icslbelize.com/about.html>

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## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
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### How Do I Get Paid (Methods of Payment)

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- Letters of Credit are the most common form of payment arrangement used by importers in Belize.

### How Does the Banking System Operate

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- According to the Central Bank of Belize (CBB) (<http://www.centralbank.org.bz>), Belize's financial system is small, consisting of five domestic commercial banks (the largest of which holds approximately \$440 million in assets), seven international banks, a state-owned development bank, a mutual fund (unit trust), fourteen credit unions, and seventeen insurance companies nationwide.
- The Central Bank of Belize regulates the liquidity and cash reserve requirements, and monitors interest rates of the commercial banks.
- Credit is made available on market terms. Despite the fact that this is regulated by the CBB, interest rates are largely set by market conditions prevailing with the commercial banks.
- Foreign investments in Belize must be registered at the Central Bank of Belize, in order to facilitate inflows and outflows of foreign currency during transactions, including transfers and the repatriation of profits and dividends.

### Foreign-Exchange Controls

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- In order to pay for goods and services procured outside of Belize in a foreign currency, a "Foreign Exchange Permit" must be obtained from authorized dealers, among them: commercial banks, money transfer institutions, the Ministry of Finance, or directly from the CBB. For more information visit <http://www.centralbank.org.bz>.
- Foreigners and locals, with the proper documentation from the CBB, are allowed to access foreign exchange directly from the commercial banks.
- The CBB's approval is required for businesspeople or firms wishing to secure a loan from outside Belize that involves a foreign currency, and for businesspeople or firms to service repayment of the loan.

- Officially, no person, other than authorized dealers and depositories, may retain any foreign currency in their possession without the consent of the CBB, though in practice U.S. dollars are widely used and accepted.
- Authorized dealers are allowed to sell foreign currency up to \$3,000 for private travel and up to \$10,000 for business travel per calendar year; requests in excess of these amounts must be approved by the Central Bank of Belize.
- Exporters are required to register their exports with the CBB, guaranteeing delivery of their foreign exchange earnings.
- Authorized dealers may authorize payments for imports, where goods are paid for through letters of credit or bank collection. They may also authorize payments for imports against copies of invoices and customs entries, where the documents show that the goods were obtained on credit.
- Authorized dealers may also approve individual prepayments up to a maximum of \$1,000, in each case, on presentation of the original pro forma invoice and where payment is to be made directly to the supplier.
- All other applications for the prepayment of imports should be forwarded to the CBB accompanied by a copy of the pro forma invoice certified by the importer or his/her agent and by evidence that such advance payment is a condition of the contract. In the absence of such documentary evidence, a declaration by the supplier that the goods will be dispatched immediately on receipt of advance payment is needed.

#### **U.S. Banks and Local Correspondent Banks**

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- There are no U.S. banks in Belize

#### **Project Financing**

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- International development agencies, such as the World Bank, the Inter-American Development Bank, and the Caribbean Development Bank provide funds for development projects in Belize.
- These projects have generally been aimed at alleviating poverty and improving public health, education, tourism, solid waste management, and roads.
- The Overseas Private Investment Corporation (OPIC) and the Export-Import Bank of the United States offer limited financing for American business ventures in Belize and for U.S. equipment sales.

#### **Web Resources**

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- Export-Import Bank of the United States  
<http://www.exim.gov>
- Country Limitation Schedule:  
[http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)
- Overseas Private Investment Corporation (OPIC)  
<http://www.opic.gov>
- US Trade and Development Agency



- <http://www.tda.gov/>
- SBA's Office of International Trade  
<http://www.sba.gov/oit/>
- USDA Commodity Credit Corporation  
<http://www.fsa.usda.gov/ccc/default.htm>
- U.S. Agency for International Development  
<http://www.usaid.gov>
- Central Bank of Belize  
<http://www.centralbank.org.bz>
- Inter-American Development Bank  
[http://www.iadb.org/countries/home.cfm?id\\_country=BL&language=English](http://www.iadb.org/countries/home.cfm?id_country=BL&language=English)
- Caribbean Development Bank  
<http://www.caricom.org/jsp/community/cdb.jsp?menu=community>
- World Bank  
<http://www.worldbank.org/>
- Belize Chamber of Commerce and Industry  
<http://www.belize.org/bcci/>
- American Chamber of Commerce in Belize  
<http://www.amchambelize.org/>

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## Chapter 8: Business Travel

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### Business Customs

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- Foreign businesspeople should not expect to find their Belizean counterparts in suit and tie.
- In Belize City, Belmopan, and the district capitals, the normal business attire is an open-collar business shirt or a guayabera shirt.
- Appointments are preferred and punctuality is encouraged and appreciated in business settings, though tardiness is common in everyday activities.
- For more information on visiting Belize, its customs, attire, recreational activities, and maps, please visit <http://www.travelbelize.org/>.

### Travel Advisory

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- Detailed and updated travel information on Belize is available through the U.S. Department of State Consular Information Sheet at [http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1055.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1055.html)

### Visa Requirements

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- All U.S. citizens must have a U.S. passport valid for the duration of their visit to Belize. U.S. citizens do not need visas for tourist visits of up to thirty days, but they must have onward or return air tickets and proof of sufficient funds to maintain themselves while in Belize.
- Visitors for purposes other than tourism, or who wish to stay longer than 30 days, must obtain visas from the Government of Belize.
- For a list of fees applicable during visits, please go to the following link: <http://www.travelbelize.org/plan-your-visit/getting-to-here/visitor-fees.html>.
- U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

- State Department Visa Website  
<http://travel.state.gov/visa/>
- United States Visas.gov  
<http://www.unitedstatesvisas.gov/>
- Embassy Belmopan, Belize  
<http://belize.usembassy.gov>

## Telecommunications

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- The telecommunications service providers in Belize charge some of the highest rates in the region. Land line telephone and internet service is relatively good. Voice over Internet Protocol (VoIP) is blocked by government owned telecommunications company.
- Cellular phone service is limited primarily to urban areas. Poor reception can be experienced travelling through the hills on the Hummingbird and Southern highways, as well as through heavily forested areas.
- Mobile internet was recently introduced on cellular phones.
- Several hotels offer free wireless internet, while others charge a fee.

## Transportation

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- Traveling by road in Belize can be challenging. Belize's highways are two-lane paved roads and lack adequate markings or reflectors. Even in urban areas, few streets have lane markings, leading many motorists to create as many lanes as possible in any given stretch of road.
- Pedestrians, bicyclists, and vehicles without functioning lights can pose increased risk of driving during night time.
- Portions of the country's highways become very slick when wet. Reducing travelling speed during these conditions is highly recommended.
- The least expensive way to get around in Belize is by public transportation, which is still relatively expensive for the region. Buses and vans are in poor condition and lack safety equipment. There are, however, several auto rental firms, including American franchises, such as Avis, Budget, Hertz, and Thrifty.
- In addition, Belize has inexpensive water taxis that travel between the mainland and all major island tourist destinations. However, these boats often do not carry adequate safety equipment, may carry an excessive number of passengers, and may sail in inclement weather. There are two major commercial domestic air transportation providers that fly within Belize, one of which also offers flights to destinations in neighboring countries.
- International transportation connections are relatively good from Belize City, with direct flights to Atlanta, Charlotte, Dallas, Houston, Newark, and Miami.
- Marine ports in Belize City and Big Creek handle regularly scheduled shipping from the U.S. and the UK.

## Language

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- The official language is English and is widely spoken. Spanish is the second most common language in Belize. Locals often speak in Belizean Kriol, which is derived from the English language.

## Health

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- No immunizations are required to visit Belize.
- Belize suffers from the highest rate of HIV infection in Central America.
- There is little risk of acquiring malaria in Belize City; however, malaria is endemic to rural Belize. Chloroquine (Aralen) is the drug of choice for malaria prophylaxis. Dengue outbreaks were also seen around Belize in 2009.
- Medical care for minor conditions is generally available in urban areas. Trauma care or advanced medical care is limited, even in Belize City; it is extremely limited or unavailable in rural areas. Serious injuries or illnesses often necessitate evacuation to another country.
- Americans are urged to consult with their medical insurance company prior to traveling to Belize to confirm whether their policy applies overseas and whether it will cover emergency expenses, such as a medical evacuation.
- Tourists are encouraged to obtain medical insurance that would pay for medical treatment and medical evacuation before traveling to Belize.

## Local Time, Business Hours, and Holidays

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- Belize's Standard Time is six hours behind UTC/GMT.
- Daylight Saving Time is not used.
- Normal business hours for the private sector are from 8:00 a.m. to 12:00 noon and from 1:00 p.m. to 5:00 p.m., Monday through Friday. Government offices follow the same schedule except on Fridays, when they close at 4:30 p.m.
- Belize's holidays for 2012 are
  - January 1 New Year's Day
  - March 9 National Heroes and Benefactors Day (observed March 12)
  - April 6,7,9 (Good Friday, Holy Saturday, and Easter Monday)
  - May 1 Labor Day
  - May 24 Sovereign's Day (observed May 21)
  - September 10 St. George's Caye Day (National Day)
  - September 21 Independence Day
  - October 12 Pan American Day (observed October 15)
  - November 19 Garifuna Settlement Day
  - December 25 Christmas Day
  - December 26 Boxing Day

## Temporary Entry of Materials and Personal Belongings

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- The Belize Customs Department allows temporary entry of certain items into Belize, providing that the items are not modified or transformed while in Belize. For details visit <http://www.customs.gov.bz>.

- Businesspeople traveling with items such as laptop computers and exhibit materials generally do not have any difficulty in getting a temporary permit to bring these items into the country.

## Web Resources

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- Belize Tourism Board – Travel Guide  
<http://www.travelbelize.org/plan-your-visit/getting-to-here/visitor-fees.html>
- State Department Visa Website  
[http://travel.state.gov/visa/a\\_zindex/a\\_zindex\\_2911.html](http://travel.state.gov/visa/a_zindex/a_zindex_2911.html)
- United States Visas Website  
<http://www.unitedstatesvisas.gov/>
- State Department Bureau of Consular Affairs  
[http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1055.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1055.html)
- United States Embassy - Belize  
<http://belize.usembassy.gov>
- Belize Customs and Excise Department  
<http://www.customs.gov.bz>

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## Chapter 9: Contacts, Market Research and Trade Events

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### Contacts

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- The American Chamber of Commerce of Belize  
<http://www.amchambelize.org>
- The Belize Tourism Industry Association  
<http://www.btia.org>
- The Belize Chamber of Commerce and Industry  
<http://www.belize.org>
- Belize Tourism Board  
<http://www.belize tourism.org>
- Belize Bureau of Standards  
<http://www.bbs.gov.bz>
- Laws of Belize  
<http://www.belize law.org>
- Ministry of Agriculture and Fisheries  
<http://www.agriculture.gov.bz>
- Ministry of Natural Resources and the Environment  
<http://www.mnrei.gov.bz>
- Statistical Institute of Belize  
<http://www.statisticsbelize.org.bz>
- The Central Bank of Belize <http://www.centralbank.org.bz>
- The Belize Intellectual Property Office <http://belipo.bz>
- The Belize Trade and Investment Development Service  
<http://www.belizeinvest.org.bz>

- Belize Agricultural Health Authority <http://www.baha.bz>
- Belize Customs  
<http://www.customs.gov.bz>

## **Market Research**

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- To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.
- Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

## **Trade Events**

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- Please click on the links below for information on upcoming trade events.  
<http://www.export.gov/tradeevents/index.asp>  
<http://www.buyusa.gov/>

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## Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities and support them once they do have exporting opportunities.**

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: [www.export.gov](http://www.export.gov)

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: <http://www.buyusa.gov/>

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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